

~~CONFIDENTIAL~~

5/7D  
52  
5. Gene<sup>24</sup>

COCOM Doc. 3416.35/2

Date: March 11, 1959

COORDINATING COMMITTEE

MEMORANDUM FROM THE UNITED STATES DELEGATION

Concerning

THE EMBARGO OF THE SCRAP FORMS OF ALLOYS COVERED BY ITEM 1635

REF: COCOM Documents 1) 3416.00/2, paras 52 and 85  
2) 3416.35/1, paras 2 and 3

1. In response to the request of the German Delegation, the United States Delegation is pleased to set out its proposal to add a new sub-paragraph to Item 1635 to embargo the scrap forms of the alloys covered by this item.
2. The United States proposes the addition of a final sub-paragraph to Item 1635 to read:

"Completely or substantially segregated scrap forms  
of the above listed alloys."
3. The United States Delegation assumes herein early Committee agreement on the German-United States proposals with respect to cobalt alloys, which will enable the United States to remove its reservation on confining Item 1635 to alloy steels.
4. The scrap forms of the alloys covered by Item 1635 are normally completely or substantially segregated, thereby commanding a higher price than otherwise. When so sorted, the scrap differs only in form from the alloys embargoed by Item 1635 and presents no more of a problem for customs authorities than do the alloys themselves. This scrap can be, and normally is, reconstituted into alloy forms which are specified in Interpretative Note No. 6. It is also possible to recover the pure alloying metal from this scrap which, in this case, serves simply as a high grade raw material.
5. Under the new criteria, certain alloys have been embargoed in Item 1635. The export of completely or substantially segregated scrap forms of these alloys would be tantamount to the export of the alloys themselves. Therefore, these scrap forms should also be embargoed under the same criteria as the alloys. Failure to embargo the scrap forms would seriously risk frustration of control over the alloys agreed for embargo on the basis of the new criteria.

~~CONFIDENTIAL~~